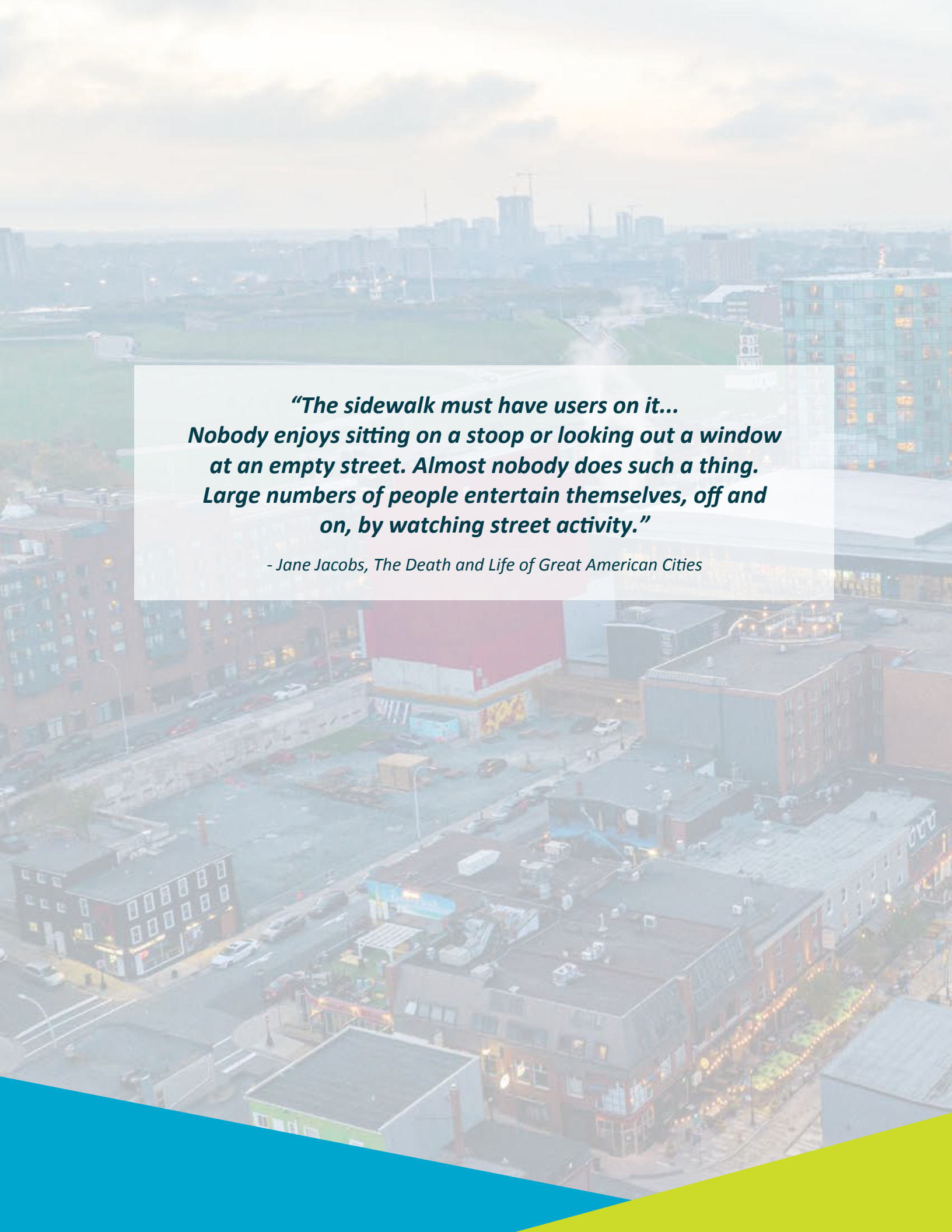




DOWNTOWN
BUSINESS COMMISSION HALIFAX

STATE
OF THE
DOWNTOWN
TOWN

2023

An aerial photograph of a city street scene, likely in New York City, showing a mix of brick buildings, modern glass-fronted structures, and a large open lot. The sky is overcast. A white semi-transparent box is overlaid on the center of the image, containing a quote in bold, italicized text. The bottom of the image features a blue and green diagonal graphic element.

***“The sidewalk must have users on it...
Nobody enjoys sitting on a stoop or looking out a window
at an empty street. Almost nobody does such a thing.
Large numbers of people entertain themselves, off and
on, by watching street activity.”***

- Jane Jacobs, The Death and Life of Great American Cities

INTRODUCTION

Downtown Halifax Business Commission (DHBC) is proud to present our very first annual report on the State of the Downtown. If you are reading this, you hopefully do not need to be convinced of the important role that our Downtown plays in the economic and cultural success of the larger city of Halifax, the province of Nova Scotia, or indeed, the Atlantic Canadian region. We take this as evident.

The pandemic, its ensuing health restrictions, economic impacts, and societal changes have hit downtowns disproportionately hard. Three years after COVID-19 came to Canada, all of our downtowns are still in recovery mode. It is vital that we track that recovery and share that information, allowing DHBC, our governments, businesses, and citizens to make informed decisions. This report is a large step in that process.

DHBC has made a new dedicated effort to purchase, access, and monitor key data points. Although there are many ways to measure the health of Downtown, we have chosen to focus on what we consider to be the three most important areas: **People, Sales, and Investment.**

It is our hope that you will find this information not only interesting, but relevant for your own purposes. DHBC intends to use this type of data to paint a clear, fact-based picture of Downtown recovery, allowing us to chart a new vision, and ensuring that we remain Canada's Favourite Downtown.



Paul MacKinnon - Chief Executive Officer

PEOPLE



The key marker of vitality for any downtown is the number of people in it - and specifically the number of people walking outside on the sidewalks. When a downtown is full of people, regardless of the actual economic activity, it feels alive. Conversely, a downtown that is devoid of people feels empty and undesirable, regardless of its other traits.

Pedestrian activity (or “footfall”) used to be measured by students with clipboards. Then it became more sophisticated, with electronic pedestrian counters, or occasional satellite images. Today, the wide availability of cell phone data provides detailed information about who is in the downtown area.

In this section, “people” will be classified as **Workers, Residents and Visitors**.

WORKERS

Downtown Halifax has an employment base of roughly 18,000 of which 4,000 work directly in what DHBC identifies as the “ground floor” business sector. This sector is often broken out into four categories:

• Food & Drink	2,267 employed
• Retail	687 employed
• Accommodation	1,076 employed
• Personal Services	194 employed

Source: InfoCanada 2022 Business Data, Dalhousie Transportation Collaboratory

Of the other 14,000 workers, they would be classified as “office” workers. As we know, post-pandemic, a significant portion of office workers, though still employed by a Downtown business, are working from home, or in a hybrid manner. To date, there still isn’t enough data to confidently share the breakout of these numbers for the purposes of this year’s report. We hope to have significant data to share in the 2024 State of the Downtown report.

RESIDENTS

Like many cities, in the 40 years following World War II, Halifax's urban core saw significant population decline, as suburban residential development took off. Recovery of the Downtown population began in the late 1990s, and since 2010 has seen significant growth, now reaching the population peaks of the 1940s.

In fact, according to the most recent StatCan Census, the greater Downtown Halifax area grew its residential

population by 26.1%, making it the fastest growing downtown in the country over the span of 2016 - 2021.

Even more interesting, is that 60% of our population is between the ages of 15 and 34. This is the highest share by far for any benchmark city, and explains why Downtown Halifax is known for its vibrancy.

Source: Halifax Partnership's Halifax Index 2023.

DOWNTOWN POPULATION: 1941 to 2021



Source: Ben MacLeod, StatCan Census Data (Tracts 4.01, 4.02, 7.00, 8.00 & 9.00)



VISITORS

TOTAL VISITATION TO DOWNTOWN, PRE-PANDEMIC VS. POST-PANDEMIC

SEASON	PRE (2019 - 2020)	POST (2022 - 2023)
SPRING	3,672,293	3,768,553
SUMMER	4,225,085	3,930,192
FALL	3,326,031	3,804,934
WINTER	2,268,990	3,037,129

Every quarter, DHBC purchases total visitation numbers for our boundary from EnviroNics. These totals include people from all three categories: workers, residents and visitors.

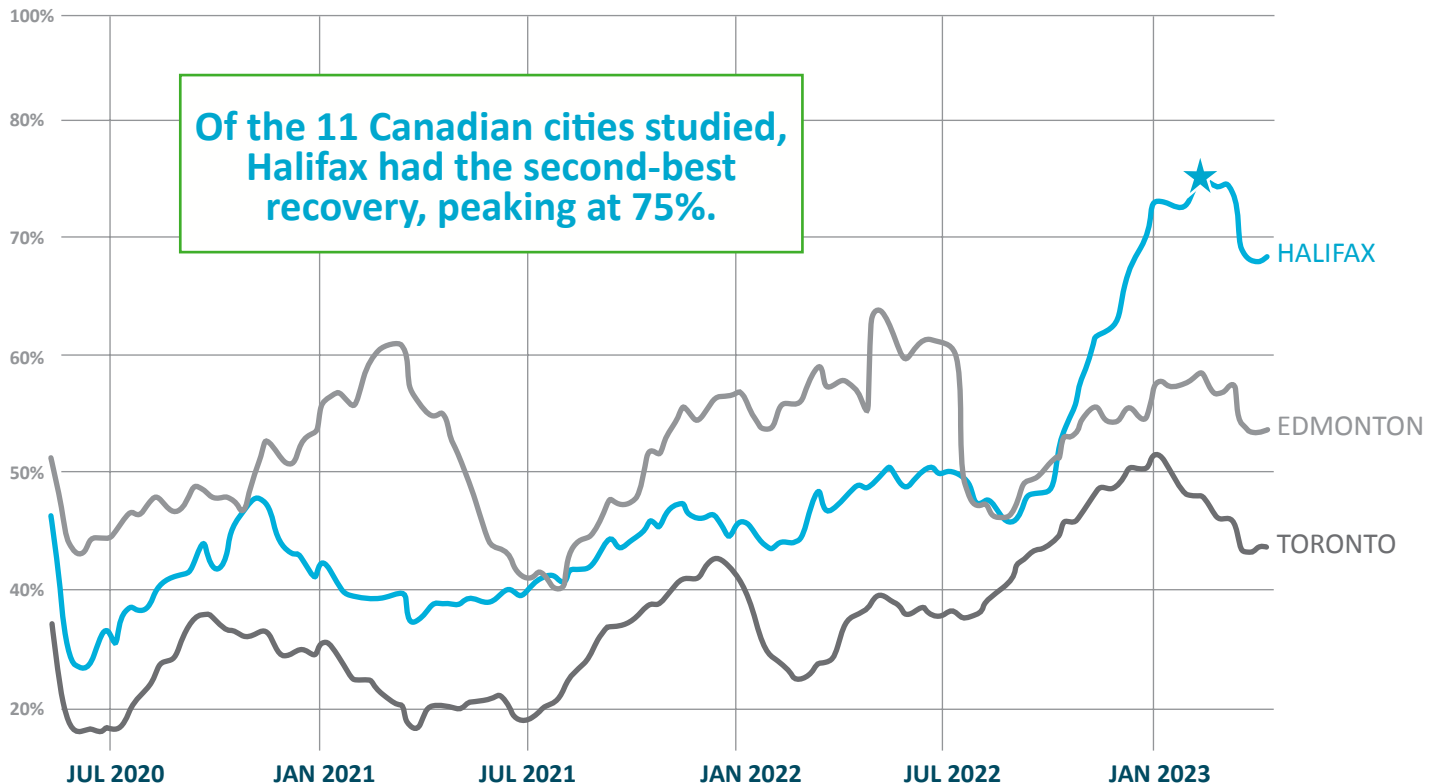
Source: EnviroNics / DHBC

RECOVERY PATTERNS

The University of Toronto's School of Cities has undertaken a study to measure the recovery of downtowns, based on the return of people, compared to pre-pandemic levels. Of the 62 North American downtowns studied, only five had fully recovered, as of February 2023.

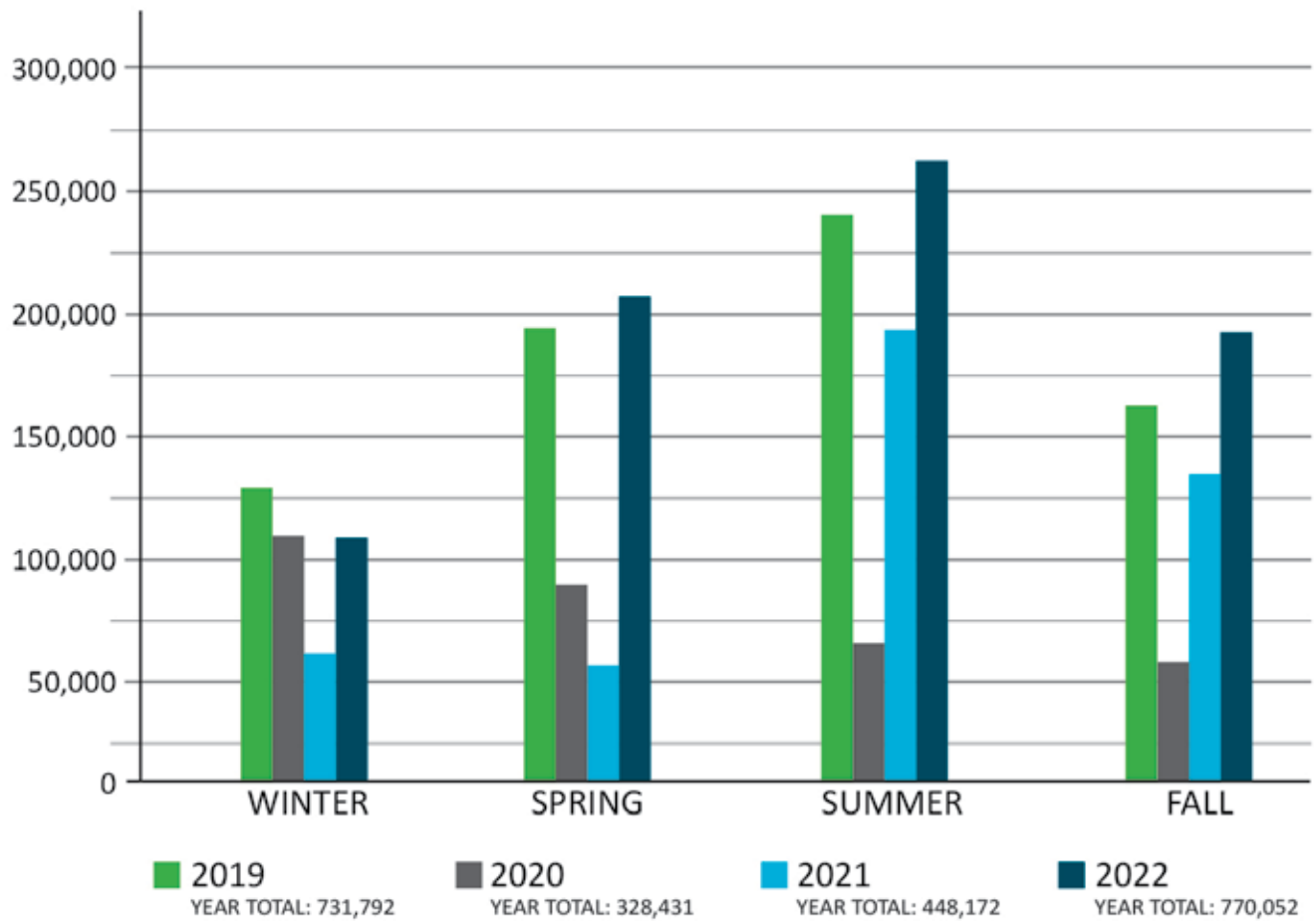
DOWNTOWN PEDESTRIAN ACTIVITY

Comparing Halifax to Edmonton and Toronto: May 2020 - April 2023



Source: University of Toronto, bit.ly/SchoolofCities

HOTEL ROOM NIGHTS SOLD



Source: Discover Halifax

Hotel room nights for January to March of this year (2023) were **15.4% higher than the equivalent time period in 2019**.

2023 PROJECTIONS

- Halifax Convention Centre**
 100-150 events per year, attracting 80,000 to 100,000 attendees.
- Scotiabank Centre**
 100-120 events per year, attracting 500,000 attendees.
- Cruise Ships**
 350,000 visitors to the Port of Halifax (compared to 325,000 in 2019).

Source: Events East / Port of Halifax



SALES



The “face of downtown” is best represented by the businesses that one sees as they travel the sidewalks. DHBC classifies these as “ground floor” businesses, and we are lucky to have a diverse mix. Downtown is also home to multinational conglomerates, significant real estate holdings, regional bank headquarters, law firms, and utilities. Historically, sales data has been notoriously difficult and expensive to obtain for Downtown Halifax, until now.

A recent partnership with Dalhousie is allowing us to obtain anonymous sales data, tracked by geographic location and sector.

To date, only two data sets are available: January to December 2017 and September to August 2021. This at least gives us a glimpse into sales trends pre- and post-pandemic. A third data set is forthcoming this summer.

GROUND FLOOR SALES

2017 vs. 2021

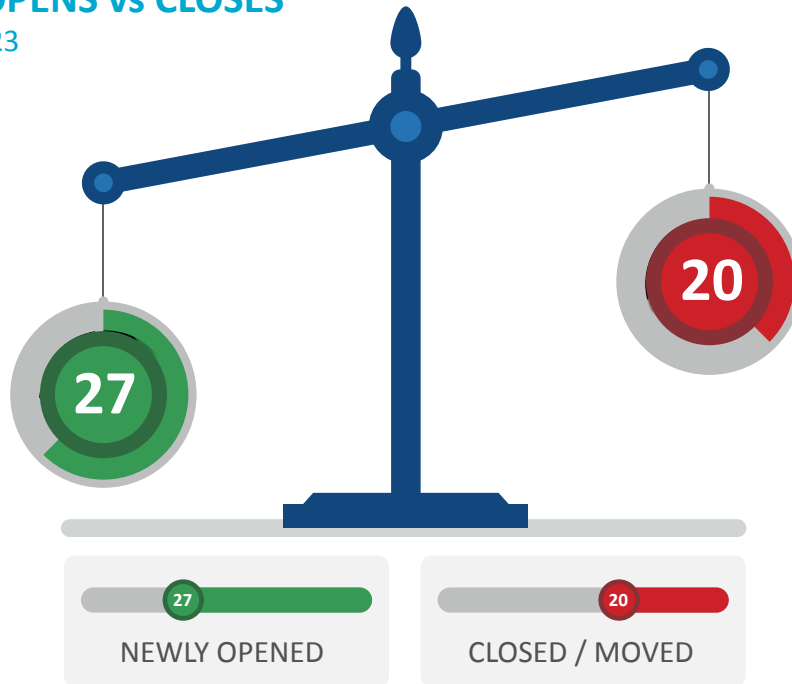
SECTOR	YEAR		CHANGE
FOOD + DRINK	2017	2021	
Number of businesses	126	131	12.7% ▲
SALES	\$110M	\$124M	
RETAIL			
Number of businesses	90	78	-11.9% ▼
SALES	\$168M	\$148M	
ACCOMMODATION			
Number of businesses	11	14	96.4% ▲
SALES	\$56M	\$110M	
PERSONAL SERVICES			
Number of businesses	28	30	20% ▲
SALES	\$10M	\$12M	

Source: InfoCanada 2018 & 2022 Business Data, Dalhousie Transportation Collaboratory

GROUND FLOOR OPENS vs CLOSES

APRIL 2022 - MARCH 2023

Source: DHBC



DOWNTOWN COMMERCIAL VACANCY RATES

2019 - 2023

New this year, Colliers started tracking ground floor vacancies quarterly, so we look forward to sharing more data in 2024.

For the first quarter of 2023, ground floor vacancy was at 13.1%

YEAR	OFFICE VACANCY (%)
2019	16.5
2020	16.7
2021	22.0
2022	18.9
2023	16.9

Source: Colliers

INVESTMENT



Downtown Halifax is the undisputed economic engine of Halifax and of the greater Atlantic Canada region. Because of its density, compact form, high land values and efficient servicing, it produces more in tax revenue and economic wealth than it costs to maintain. As such, ongoing and significant investment from both the public and private sectors should be the norm.

The 1990s and early 2000s saw private development shift from Downtown to suburban commercial areas. Between municipal amalgamation in 1996 and the approval of the new Downtown plan in 2009, Downtown Halifax also saw a significant lack of public sector investment, compared to other Canadian downtowns. This was chronicled in “The Value of Investing in Canada’s Downtowns” a research paper published by the International Downtown Association and the Canadian Urban Institute.

Downtown investments tend to be large-scale and take years to go from planning to completion. The “Downtown Development” map in this section is an attempt to catalogue total investment, as of spring 2023. As we know this map will need constant updating due to fluctuating projects, our plan is to have a real-time version at downtownhalifax.ca soon.



DOWNTOWN ASSESSMENT

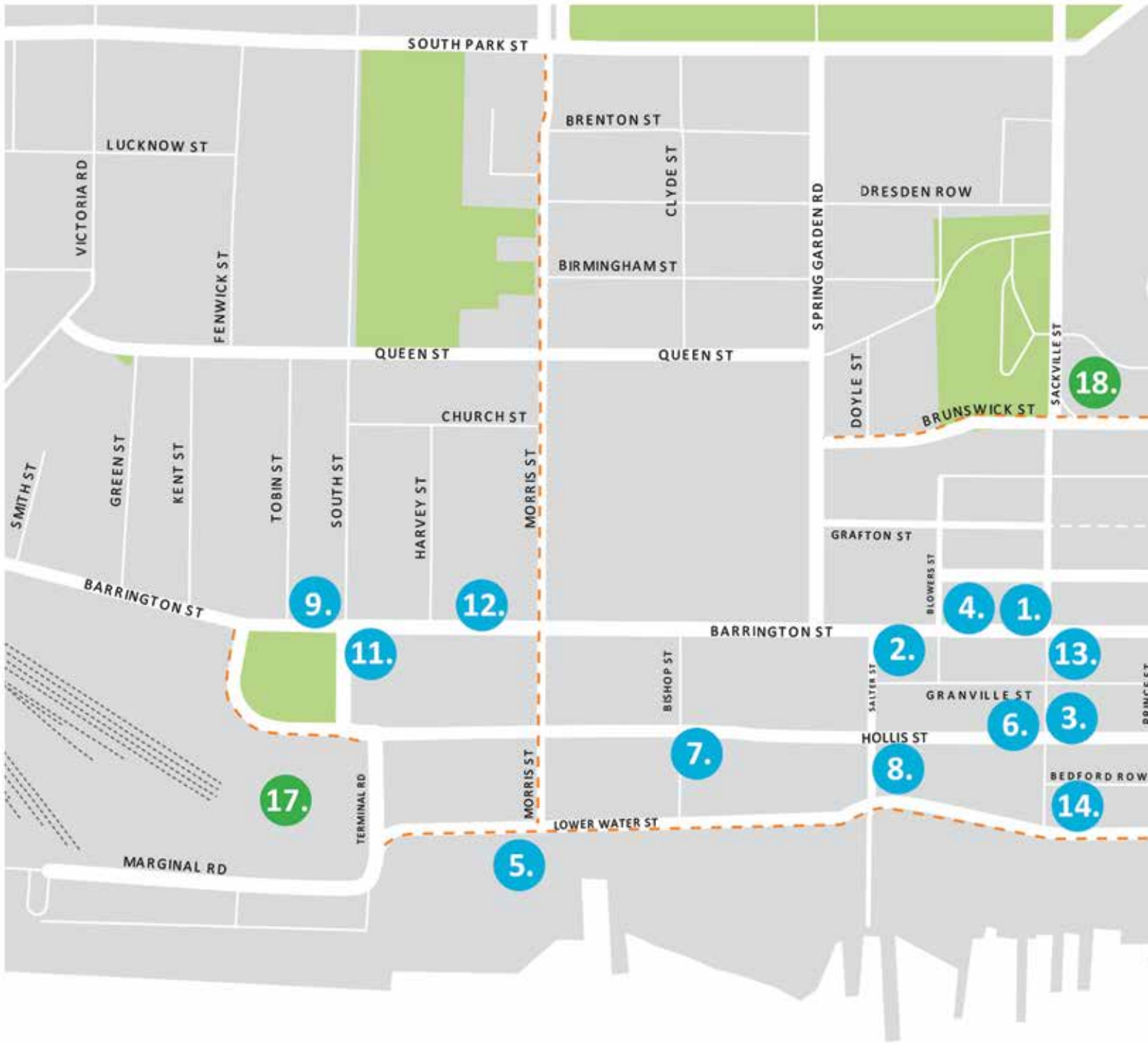
One way to measure the “value” of Downtown is through its total commercial assessment base, both on its own, and as a percentage of total Halifax Regional Municipality assessment.

YEAR	DOWNTOWN	HRM	% OF TOTAL
2019	\$1,438,253,323	\$8,500,000,000	16.92
2020	\$1,426,714,399	\$8,600,000,000	16.59
2021	\$1,433,343,936	\$8,900,000,000	16.10
2022	\$1,348,803,246	\$8,900,000,000	15.16
2023	\$1,368,704,652	\$9,700,000,000	14.11

Source: Halifax Regional Municipality

Despite significant construction, total Downtown commercial assessment has **decreased 4.84% between 2019 and 2023.**

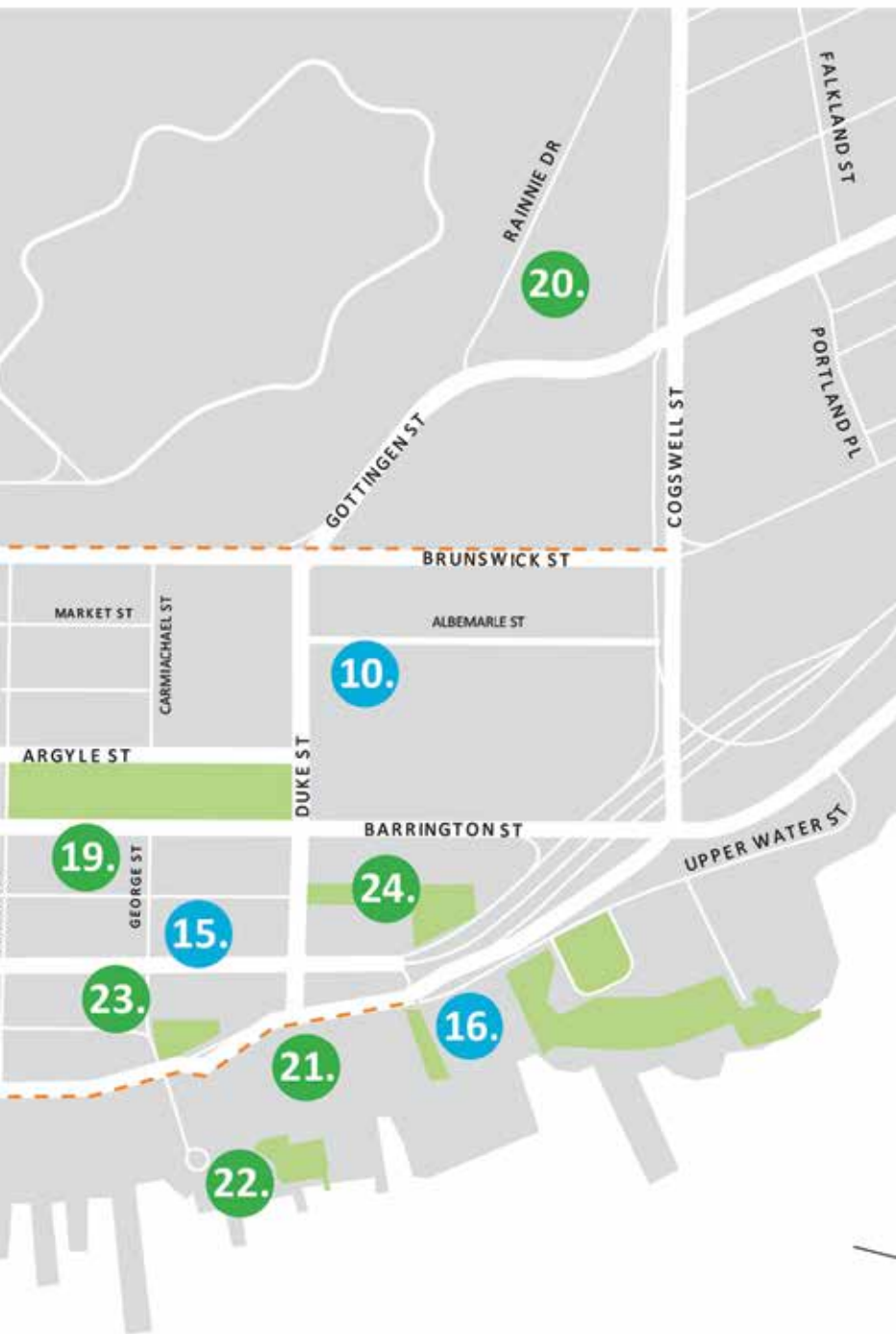
DOWNTOWN DEVELOPMENT



Over the next 5 years, over 1,800 residential units will be added to Downtown Halifax.

In addition, over the next 10 years, the Cogswell District will house more than 2,500 residents.

bit.ly/CogswellDevelopment



PRIVATE DEVELOPMENT

1. Tramway Building - Steve Caryi
2. Freemason's Hall - Steve Caryi
3. Centennial Redevelopment - Sidewalk
4. Cameo Hotel & Suites - Steve Caryi
5. Cunard - Southwest Properties
6. Skye - United Gulf Developments
7. The Governor - Killam Properties
8. Former Ralston Redevelopment - Universal Properties
9. 1190 Barrington - Universal Properties
10. The Marlstone - Crombie
11. Elmwood Redevelopment - Galaxy Properties
12. Waverley Inn - Grafton Developments
13. Vogue Building Addition - Starfish Properties
14. 1649 Bedford Row - Root Architecture
15. RBC Block Redevelopment - Farhad Vladi / Joe Ramia
16. Historic Properties Revitalization - Armour Group

PUBLIC DEVELOPMENT

17. Port of Halifax Redevelopment
18. Pocket Park
19. Press Block - Province of NS & Dixel Developments
20. Mi'kmaw Native Friendship Centre
21. Provincial Law Courts Redevelopment - Province of NS
22. Ferry Terminal Redevelopment - HRM
23. George & Carmichael Streetscape - HRM
24. Capital District Heritage Conservation District - HRM

--- New Bike Lanes

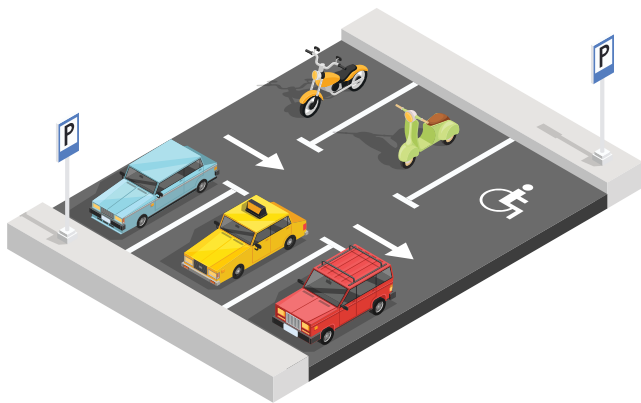
OTHER KEY DATA POINTS

HOW DO PEOPLE GET DOWNTOWN?

In 2017 and in 2022, Dalhousie Transportation Collaboratory completed a study, measuring how people arrived at their destination, within the Downtown area. These were the results:

Source: NovaTRAC 2018 Halifax Survey and HaliTRAC 2022 Survey, Dalhousie Transportation Collaboratory.

MODE OF TRAVEL	2017	2022
AUTO	48%	35%
FOOT	31%	41%
TRANSIT	19%	22%
BIKE	2%	2%



PUBLIC PARKING SPOTS

7,909 Downtown Halifax (DHBC Boundary)

1,915 Spring Garden Area

27% vacancy rate for on-street spaces.

HOMELESSNESS

According to the latest rental market report from the Canada Mortgage and Housing Corporation, Halifax saw the highest year-over-year spike in residential rent across the country between 2021 and 2022, with the average for a two-bedroom unit jumping 9.3%.

Halifax's vacancy rate stayed around one per cent, the second-lowest in the country.

The Federally-funded Point-in-Time (PiT) Count identified 586 individuals experiencing homelessness in HRM. **This is an increase of 675% since 2018.**

In November 2022, Downtown Halifax's Navigator Outreach Program led a survey to collect data specifically around "people sleeping outside" across the whole city. Of the 85 people surveyed, 66% identified the peninsula of Halifax as their primary sleeping location (semi-annual count of people sleeping outside in HRM).

“Downtowns and the cities they anchor are the most adaptive and resilient of human creations. Continual works in progress, they have been rebuilt and remade in the aftermaths of all manner of crises and catastrophes.”

- Richard Florida



